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MAY 26 1964

BANKFIELD CONSOLIDATED MINES LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

At the special general meeting of shareholders on March 25, 1964 the agreement between your company and Canadian Gift Sales Limited was confirmed. At this time the transaction has not been finalized but your directors will be able to report on this matter at the forthcoming meeting.

It is expected that work will soon begin on the 50 claims held by your company in the Mount Pleasant area, New Brunswick, in accordance with the recommendations of the engineer.

Your company has entered into an agreement with Con-Key Mines Limited for the joint purchase of 4 patented claims in Kidd Township, Lot 12, Concession 1, approximately 157 acres. This deal has not yet been consummated.

An underwriting agreement has been entered into with Hevenor & Co. and J. P. Cannon & Co. for the sale of 400,000 shares of the company's capital stock for \$60,000.00 payable on the date of acceptance for filing by the Toronto Stock Exchange. The agreement includes an option on an additional 600,000 shares as follows:

200,000 shares at 20¢ within three months from date of acceptance for filing

200,000 shares at 25¢ within six months from date of acceptance for filing

200,000 shares at 30¢ within nine months from date of acceptance for filing

The filing statement given to the Toronto Stock Exchange.

ON BEHALF OF THE BOARD

C. W. WALKER

BANKFIELD CONSOLIDATED MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET

November 30, 1963

CURRENT ASSETS ASSETS

Cash	\$ 190,689
Accounts receivable	5,239
Income tax refund claim	233
Prepaid expenses	86
	<u>\$ 196,247</u>

SHARES IN OTHER COMPANIES, at cost or less
Listed shares (quoted market value \$21,100)
Unlisted shares, etc. 13,663
130,383

Less allowance for decline in value 144,046
113,000 31,046

MINING CLAIMS

Patented claims in Geraldton area, Ontario, at nominal value 1	
Mining claims held under prospecting li- censes, in Mount Pleasant area, New Brunswick, at the value placed upon 180,000 shares of the company's capital stock issued therefor, plus \$7,500 cash 25,500	
Interest in mining claims in Cadillac Town- ship, Quebec at nominal value 1	
Unpatented claims in Sioux Lookout area, Ontario at nominal value 1	25,503

DEFERRED EXPENDITURES

Exploration expenditures on claims in Mount Pleasant area, New Brunswick	5,145
	<u>\$ 257,941</u>

CURRENT LIABILITIES LIABILITIES

Accounts payable	\$ 2,394
CAPITAL STOCK AND DEFICIT	
Capital stock	
Authorized —	
5,000,000 shares of \$1 each	
(Increased in 1963 from	
3,000,000 shares)	
Issued — 2,994,904 shares	\$2,994,904
Less discount on shares	939,999
	<u>2,054,905</u>
Deduct deficit	1,799,358
	<u>255,547</u>

Note:

The company entered into an agree-
ment dated February 26, 1964 to purchase
from Canadian Gift Sales Limited \$200,000
principal amount of 7% secured debentures
and 300,000 shares of its capital stock for
\$200,000 subject to the fulfilment of certain
conditions as set out in the agreement.

Approved on behalf of the Board:

C. W. Walker, Director
J. West, Director

\$ 257,941

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Bankfield Consolidated Mines Limited as at November 30, 1963 and the statement of income and deficit for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of income and deficit present fairly the financial position of the company as at November 30, 1963 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
December 10, 1963.

GUNN, ROBERTS and CO.

Chartered Accountants.

BANKFIELD CONSOLIDATED MINES LIMITED

STATEMENT OF INCOME AND DEFICIT

For the year ended November 30, 1963

Revenue

Dividends	\$	3,637	
Interest		4,746	
Gain on sale of securities		5,141	\$ 13,524

Expenses

General expense at the Geraldton property		91	
Exploration			
Cadillac Township, Quebec	\$	4,739	
Sioux Lookout area, Ontario		8,573	
Sundry		50	13,362
Administrative and corporate			
Executive salaries		4,200	
Office services and expenses		3,208	
Directors' fees		1,500	
Legal and audit		2,765	
Annual meeting, reports, etc.		2,134	
Transfer agents' fees and expenses		1,599	
Bank charges and interest		215	
Other expenses		791	16,412
Advances to mining companies written off		834	30,699

LOSS for the year 17,175

Deficit December 1, 1962 1,656,351

Add:

Additional allowance for decline in value of securities		100,000	
Securities written off		12,099	
Cost of supplementary letters patent, etc.		1,735	
Mining claims written down to nominal value			
Cadillac Township, Quebec		1,999	
Sioux Lookout area, Ontario		9,999	11,998
			125,832

Deficit November 30, 1963 \$1,799,358

BANKFIELD CONSOLIDATED MINES LIMITED

Suite 203 — 27 Carlton Street

Toronto, Ontario

AR50

March 10, 1964

Dear Shareholder:

Accompanying this letter is a Notice of Meeting of Shareholders. The purpose of this meeting is to consider and if deemed advisable approve an agreement with Canadian Gift Sales Limited, a copy of which accompanies and forms part of the Notice of Meeting.

If the agreement is approved and subject to the fulfilment of certain conditions set out in the said agreement, the Company will purchase \$200,000 principal amount of 7 per cent debentures of Canadian Gift Sales Limited which will be a first floating charge of all the assets of that Company and 300,000 fully paid up shares in its capital stock.

The Company presently owns 62,678 shares of Canadian Gift Sales which it purchased for cash.

Two petitions under The Bankruptcy Act have been filed against Canadian Gift Sales Limited and an interim receiver has been appointed by the Court.

Your directors believe that if the money provided by the agreement is made available to Canadian Gift Sales Limited and the creditors of Canadian Gift Sales Limited accept the proposal of that company, that Canadian Gift Sales Limited will be able to carry on profitably.

Jack West, a director of both companies and Ben London, a director of Canadian Gift Sales Limited, have agreed to purchase \$25,000 of the said debentures.

You are respectfully requested to peruse the copy of agreement which forms part of the said Notice and if at all possible to attend the meeting of shareholders.

If you are unable to be personally present at the meeting your proxy is solicited.

Yours truly,

BANKFIELD CONSOLIDATED MINES LIMITED

per: C. W. Walker, President

BANKFIELD CONSOLIDATED MINES LIMITED

Suite 203 - 27 Carlton Street
Toronto, Ontario

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that a special general meeting of shareholders of BANKFIELD CONSOLIDATED MINES LIMITED (hereinafter referred to as the "Company") will be held at the Council Chamber 11th Floor, Board of Trade Building, 11 Adelaide Street West, Toronto, Ontario, on Wednesday, the 25th day of March, 1964, at the hour of 10:00 o'clock in the forenoon (Toronto time) for the following purposes:

1. To consider and, if deemed advisable, to confirm an agreement dated the 26th day of February, 1964 between the Company and Canadian Gift Sales Limited, a copy of which agreement is attached to and forms part of this notice.

Herbert West, the Vice-President and a director of the Company, and Jack West, a director of the Company, are also directors of Canadian Gift Sales Limited and substantial shareholders of that Company. The Company is also the owner of 62,678 shares of Canadian Gift Sales Limited which it purchased for cash.

2. To transact such further and other business as may properly come before the meeting.

DATED at Toronto this 10th day of March, 1964.

By Order of the Board

Leslie A. Darch
Secretary

NOTE: If you are unable to be present in person at the meeting you are respectfully requested to complete and return the attached proxy.

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BANKFIELD CONSOLIDATED MINES LIMITED

Suite 203 - 27 Carlton Street
Toronto, Ontario

INSTRUMENT OF PROXY

The undersigned, a shareholder of BANKFIELD CONSOLIDATED MINES LIMITED, hereby appoints HERBERT WEST, or failing him CHARLES WALKER, or failing him JACK WEST, all of the City of Toronto, to fail in him

as proxy to vote for the undersigned and on behalf of the undersigned at a special general meeting of shareholders of the Company to be held on Wednesday, the 25th day of March, 1964, at the hour of 10:00 o'clock in the forenoon, or at any adjournment or adjournments thereof.

DATED this

day of

1964.

Signature of Shareholder

NOTE:

1. Where the appointer is a corporation or an officer of it, the necessary changes must be made in the form.
2. When the instrument is executed by a corporation, the corporate seal must be affixed.
3. It is imperative that the date of signing the proxy be inserted.
4. If you desire any other than the persons named in the form of proxy to be your proxy, please strike out the three persons named and insert in the blank space the name of the person you desire to act as your proxy.

The Globe & Mail,
King & York Sts.,
TORONTO, Ont.

WHEN RETURNING PROXY, PLEASE DETACH HERE - SIGN AND FOLD - MAIL

B E T W E E N:

BANKFIELD CONSOLIDATED MINES LIMITED,
a company incorporated under the laws of the Province of Ontario, having its head office at the City of Toronto,

hereinafter called "Bankfield"

OF THE FIRST PART

— and —

CANADIAN GIFT SALES LIMITED, a company also incorporated under the laws of the Province of Ontario, having its head office at the City of Toronto,

hereinafter called "Canadian Gift Sales"

OF THE SECOND PART

WHEREAS Canadian Gift Sales Limited has an authorized capital of 1,000,000 shares having no par value, of which 500,000 shares are presently issued and outstanding as fully paid and non-assessable;

AND WHEREAS Canadian Gift Sales requires additional capital to pay off its outstanding liabilities and for working capital;

AND WHEREAS Bankfield has agreed to purchase from Canadian Gift Sales certain of its 7% secured debentures and certain shares of its capital stock in the amounts and at the price and subject to the terms and conditions more particularly hereinafter set forth.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the mutual covenants and agreements herein contained the Parties hereto have covenanted and agreed and by these presents do covenant and agree as follows:

1. Canadian Gift Sales covenants and agrees with Bankfield that:—

(a) it will forthwith authorize the creation of an issue of its debentures limited to \$350,000 in lawful money of Canada which shall be designated "7% secured debentures", dated as of the 2nd of March, 1964 and shall bear interest from the 2nd day of March, 1964 at the rate of 7% per annum and shall be secured by a Trust Indenture made in favour of Guaranty Trust Company of Canada, as Trustee, and Canadian Gift Sales shall, in the said Indenture, charge as and by way of a first floating charge in favour of the Trustee for and with payment of the principal monies, premium (if any), interest and other monies for the time being and from time to time owing on the said debentures and all other monies for the time being owing under the said Indenture, its undertaking and all its property, assets and rights, both present and future, all in accordance with the draft trust indenture hereto annexed as Schedule "A";

(b) that it will furnish Bankfield with a favourable legal opinion by the solicitors for Canadian Gift Sales as to the creation of the debentures set out above and that same are a first floating charge on the undertaking and all property, assets and rights, both present and future, of Canadian Gift Sales, all as provided in paragraph 1(a) hereof;

2. Subject to paragraph 4 hereof, Bankfield agrees to purchase from Canadian Gift Sales \$200,000 in principal amount of the 7% secured debentures and 300,000 fully paid up and non-assessable shares in the capital stock of Canadian Gift Sales for \$200,000, payable on the effective date referred to in paragraph 5 hereof.

3. Canadian Gift Sales agrees with Bankfield to sell to Bankfield \$200,000 in principal amount of its 7% secured debentures and 300,000 shares in its capital stock for \$200,000, payable on the effective date referred to in paragraph 5 hereof.

4. This agreement and everything herein contained is conditional upon the fulfilment of each and every of the following conditions, that is to say: —

(a) that the 7% secured debentures are legally and lawfully created by Canadian Gift Sales, as provided in paragraph 1 hereof;

(b) that Canadian Gift Sales enters into an agreement with another responsible party or parties whereby such party or parties agrees to purchase and does purchase \$25,000 in principal amount of the 7% secured debentures and deposits the said purchase price of \$25,000 with Canadian Gift Sales or such other person as is mutually agreed upon between the parties prior to the effective date as hereinafter set forth;

(c) that prior to the effective date as hereinafter set forth a favourable opinion in writing from counsel for Canadian Gift Sales is received by Bankfield (which opinion shall be subject to the approval of counsel for Bankfield who may rely upon the said opinion of counsel for Canadian Gift Sales) that the 7% secured debentures have been lawfully created and legally issued and are secured by a first floating charge on all property, assets, rights and undertaking of Canadian Gift Sales both present and future, as provided in paragraph 1(a) hereof;

(d) that the shareholders of Bankfield confirm this agreement at a special general meeting of shareholders of Bankfield called for considering same and to be held not later than the 25th day of March, 1964;

(e) that the Toronto Stock Exchange accepts for filing a filing statement of Bankfield in which Bankfield discloses this transaction, to be presented to the said Exchange by Bankfield not later than the 12th day of March, 1964;

(f) that evidence satisfactory to counsel for Bankfield is produced by Canadian Gift Sales and delivered to Bankfield prior to the effective date showing that the ordinary creditors of Canadian Gift Sales, other than customers of Canadian Gift Sales who have claims for return of deposits and/or credit balances aggregating about \$22,566.72, are bound by Canadian Gift Sales' proposal under The Bankruptcy Act approved by the Court to accept 25 cents on the dollar in full settlement of their claims;

(g) that on the effective date as hereinafter set forth, or prior thereto, a certain action brought in the Supreme Court of Ontario by James Elliot Thomson and John Marin Stephens against Canadian Gift Sales for special damages in the amount of \$24,750 and general damages of \$850,000 has been settled or an agreement of settlement has been entered into to take effect when the Court approves Canadian Gift Sales said proposal under The Bankruptcy Act, or other satisfactory arrangements in respect thereof have been made to satisfy the trustee under the said proposal that the proposal can be carried out;

(h) that evidence satisfactory to Bankfield is given to Bankfield that all the unsecured debts of Canadian Gift Sales, save said customers' deposits of \$22,566.72, have been satisfied and that the inventory, valued on a basis consistent with that used on the taking of inventory on December 31, 1963, and/or cash on hand of Canadian Gift Sales and/or accounts receivable over liability to bank is not less than \$500,000 in the aggregate;

(i) that Canadian Gift Sales produces satisfactory evidence to Bankfield that the trustee under the said proposal is satisfied that the \$200,000 to be paid by Bankfield together with the \$25,000 to be paid by another purchaser or purchasers as provided in paragraph 4(b) hereof and other cash or securities to be delivered to the trustee will be sufficient to ensure the payment to all the ordinary creditors of Canadian Gift Sales other than the customers deposits amounting to about \$22,566.72 aforementioned, of the amounts to which they will be entitled pursuant to the said proposal referred to in paragraph 4(f) hereof;

(j) that the terms of the proposal submitted by the Company to its ordinary creditors be approved by counsel for Bankfield.

5. It is agreed that the effective date hereunder shall be the fifth day following the date on which the Court approves the said proposal (and provided that all of the other aforesaid conditions have been fulfilled) unless said date falls on a Saturday, Sunday or juridical holiday, in which event the effective date shall be the next business day following said Saturday, Sunday or juridical holiday.

6. Canadian Gift Sales covenants and agrees with Bankfield that it will not issue any of its 7% secured debentures without the prior written consent of Bankfield other than the debentures to be issued as aforesaid and such of the debentures that may be required to be issued to the Trustee to satisfy the said Trustee that the proposal will be carried out.

7. The purchase and sale of the debentures and shares as herein contemplated will be consummated within five business days following the effective date, subject to the proviso that if the said purchase and sale is not consummated before the 30th day of April, 1964, or such later date as the parties hereto agree upon, Bankfield shall be at liberty to terminate this agreement upon written notice to Canadian Gift Sales Limited.

8. Any notice required to be given hereunder shall be well and sufficiently given if sent by registered mail, postage prepaid, addressed as follows:—

Bankfield Consolidated Mines Limited — 27 Carlton Street,
Toronto, Ontario.

Canadian Gift Sales Limited — 98 Orfus Road,
Toronto, Ontario.

and such notice shall be deemed to have been received twenty-four hours after the mailing of same.

9. Time shall be of the essence of this agreement.

10. This agreement and everything herein contained shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have caused their respective corporate seals to be affixed hereto, attested by the hands of their proper officers in that behalf.

SIGNED, SEALED AND DELIVERED:)

) BANKFIELD CONSOLIDATED MINES LIMITED

) per C. W. Walker, Pres.

) per L. Darch, Secretary

) CANADIAN GIFT SALES LIMITED

) per Ben London, Vice-Pres.

) per H. West, Sect.-Treas.

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BANKFIELD CONSOLIDATED MINES LIMITED

ANNUAL REPORT

*For the year ended
November 30, 1964*



Bankfield Consolidated Mines Limited

BANKFIELD CONSOLIDATED MINES LIMITED

OFFICERS

HAROLD D'ARCY BAKER.....*President*

JOHN A. MURPHY.....*Secretary-Treasurer*

ALAN FIDLER.....*General Manager*

DIRECTORS

HAROLD D'ARCY BAKER, Toronto, Ontario

JOHN A. MURPHY, Scarborough, Ontario

LOUIS PANGER, Downsview, Ontario

BARBARA HOPKINS, Scarborough, Ontario

EVERETT E. OTT, Toronto, Ontario

TRANSFER AGENTS AND REGISTRAR

EASTERN & CHARTERED TRUST COMPANY
1901 Yonge Street, Toronto 7, Ontario

HEAD OFFICE

Suite 1404,
302 Bay Street,
Toronto, Ontario.

BANKFIELD CONSOLIDATED MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET

November 30, 1964

ASSETS

Current Assets

Cash	\$ 176,561	
Accounts receivable	4,197	
	<hr/>	\$ 180,758

Shares in Other Companies, at cost or less

Listed shares (quoted market value \$29,640)	13,663	
Other shares	6,480	
	<hr/>	20,143

Mining Claims

Patented claims in Geraldton area, Ontario, at nominal value	1	
Interest in mining claims in Cadillac Township, Quebec, at nominal value	1	
Unpatented claims in Sioux Lookout area, Ontario, at nominal value	1	
	<hr/>	3
		<hr/>
		\$ 200,904

LIABILITIES

Current Liabilities

Accounts payable	\$ 1,007
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Capital Stock and Deficit

Capital stock		
Authorized — 5,000,000 shares of \$1 each		
Issued — 2,994,904 shares	\$ 2,994,904	
Less discount on shares	939,999	
	<hr/>	2,054,905
Deduct deficit	1,855,008	
	<hr/>	199,897
		<hr/>
		\$ 200,904

Approved on behalf of the Board:

J. A. MURPHY, Director.

L. PANCER, Director.

Note:

Subsequent to the date of the balance sheet the company entered into an agreement to purchase 450,000 shares of Gulf Lead Mines Limited, a public company, (of which 390,000 are held in escrow) for \$75,000 cash.

BANKFIELD CONSOLIDATED MINES LIMITED

STATEMENT OF INCOME AND DEFICIT

For the year ended November 30, 1964

Revenue

Dividends	\$	662	
Interest		6,741	
Gain on sale of securities		278	
			\$ 7,681

Expenses

General expenses at the Geraldton property	\$	85	
Exploration			
Cadillac Township, Quebec	\$(62)	
Sundry		460	
			398
Administrative and corporate			
Executive salaries		4,200	
Office service and expenses		2,255	
Directors' fees		1,175	
Legal and audit		6,731	
Annual meeting, reports, etc.		2,507	
Share transfer expenses		1,284	
Stock exchange fees		826	
Bank charges		153	
Other expenses		1,048	
			20,179
Advances to mining companies written off		84	
			20,746

Loss for the year		13,065
Deficit December 1, 1963		1,799,358

Add:

Securities written off (Canadian Gift Sales Ltd.)		122,277	
Mining claims in New Brunswick written off			
Cost of claims		25,500	
Expenditures thereon		7,808	
			33,308
			155,585

Deduct allowance for decline in value of securities no longer required		113,000
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Deficit November 30, 1964	\$	1,855,008
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AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Bankfield Consolidated Mines Limited as at November 30, 1964 and the statement of income and deficit for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of income and deficit present fairly the financial position of the company as at November 30, 1964 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada

May 6, 1965

GUNN, ROBERTS and CO.

Chartered Accountants